



***SPECIFIC INSTRUCTIONS  
for the completion of the***

***FISCAL YEAR 2015  
INTERMEDIATE CARE FACILITIES FOR  
INDIVIDUALS WITH AN INTELLECTUAL  
DISABILITY OR RELATED CONDITIONS (ICF/IID)  
REQUEST FOR REVISION REPORT***

For assistance with the completion  
of this report, contact:

Rate Analyst  
Phone: (512) 730-7463  
FAX: (512) 730-7484  
E-mail: RAD-LTSS@hhsc.state.tx.us

For assistance with mailing and  
tracking of this report, contact:

Cost Report Specialist  
Phone: (512) 707-6094  
FAX: (512) 730-7475

## ***PURPOSE***

The purpose of the Request for Revision Report (RFR) is to gather information for the Texas Health and Human Services Commission (HHSC) to use in determining if a provider met a higher attendant compensation level for the reporting period than the level it met on its most recently audited report functioning as its fiscal year 2012 Attendant Compensation Report.

## ***WHO MUST COMPLETE THIS REPORT?***

All providers requesting a revision of their enrollment limitation for the fiscal year 2015 enrollment period (September 1, 2014 – August 31, 2015) must complete this report.

## ***GENERAL INSTRUCTIONS***

Except where otherwise noted, this RFR is governed by all rules and instructions pertaining to the completion of your 2012 Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Conditions) (ICF/IID) Cost Report. Refer to:

- Cost Determination Process Rules at Title 1 of the Texas Administrative Code (TAC) §§355.101-.111;
- Attendant Compensation Rate Enhancement Rules at 1 TAC §355.112;
- ICF/IID program-specific rules at 1 TAC §355.457;
- 2013 General and ICF/IID Program-Specific Cost Report Training materials; and
- Specific Instructions for the Completion of the 2013 ICF/IID Cost Report.

### **DUE DATE**

This report is due to HHSC by July 31, 2014. Send one completed copy of the RFR and all required attachments, including the certification and methodology pages with original signatures and notary stamps/seals, to:

#### **REGULAR MAIL:**

Texas Health & Human Services Commission  
Rate Analysis Department, Mail Code H-400  
P.O. Box 149030  
Austin, Texas 78714-9030

#### **SPECIAL DELIVERY:**

Texas Health & Human Services Commission  
Rate Analysis Department, Mail Code H-400  
4900 North Lamar Blvd.  
Austin, TX 78751-2316

Reports received after July 31, 2014 will not be accepted, and the enrollment limitation specified on the provider's fiscal year 2015 "Enrollment Limitation Report" will apply.

## **GROUP REPORT VERSUS INDIVIDUAL REPORT**

If your component code participated in the rate enhancement as part of a group in fiscal year 2012, you may submit one RFR for the entire group or one RFR for each individual contract. The result of the analysis of an RFR completed for a group will apply to all contracts included on the RFR for fiscal year 2015. If you did not participate as part of a group during fiscal year 2012, the RFR can be submitted only for an individual component code.

## **WEBSITE**

An electronic version of the 2015 RFR is available on our website at:

<http://www.hhsc.state.tx.us/Rad/long-term-svcs/>

Once you enter the website, click on the link to “Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Conditions”, then scroll down to the heading “Rate Enhancement – Attendant Compensation”, click on “2015”. Then locate and open the “2015 Request for Revision Report” element.

## **REPORTING PERIOD**

The reporting period is **September 1, 2013 through April 30, 2014**. The report must be completed for the entire reporting period.

## **ROUNDING MONETARY AMOUNTS**

All reported monetary amounts should be rounded to the nearest whole number (with no zeros included for "cents"). For example, \$25.49 should be rounded to \$25 and \$25.50 should be rounded to \$26. RFRs submitted without proper rounding of monetary amounts may be returned for proper completion.

## **ROUNDING STATISTICAL AMOUNTS**

Statistical data (i.e., hours and miles) must be reported to two decimal places. For example, when reporting the hours paid for attendants, 150 hours and 30 minutes would be reported as 150.50 hours and 150 hours and 20 minutes would be reported as 150.33 hours. RFRs submitted without appropriate decimal places may be returned for proper completion.

## **ACCOUNTING METHOD**

All information submitted on the RFR must be based on an accrual method of accounting, except where otherwise specified. Governmental entities may report on a cash basis or modified accrual basis.

## **REPORT CERTIFICATION**

Contracted providers must certify the accuracy of the RFR submitted to HHSC. Contracted providers may be liable for civil penalties, criminal penalties and/or imprisonment if the RFR is not completed according to HHSC requirements or if the information is misrepresented and/or falsified. Before signing the certification pages (pages 7 and 8), carefully read the certification statements to ensure that the signers have complied with the reporting requirements. The Methodology

Certification (page 8) advises preparers that they may lose the authority to prepare future reports if reports are not prepared in accordance with all applicable rules, instructions and mandatory training materials. **NOTE:** any report submitted without original signed and notarized Certification and Methodology Certification pages will be returned to the provider. Copies, faxes and e-mails will not be accepted.

### **COST ALLOCATION METHODS**

Refer to the Cost Determination Process Rules (1 TAC §355.102(j) and §355.105(b)(2)(B)(v)) for information concerning allowable allocation methods and requirements for adequate allocation summaries. FICA/Medicare, unemployment, worker's compensation premiums and paid claims and employee health paid claims may be allocated to attendants based on payroll or direct costed. Health insurance premiums, life insurance premiums and other employee benefits must be direct costed.

## ***DEFINITIONS***

*Accrual Accounting Method* - method of accounting in which revenues are recorded in the period in which they are earned and expenses are recorded in the period in which they are incurred. If a provider operates on a cash basis, it will be necessary to convert from cash to accrual basis for reporting purposes. Care must be taken to ensure that a proper cutoff of accounts receivable and accounts payable occurred both at the beginning and ending of the reporting period. Amounts earned although not actually received and amounts owed to employees and creditors but not paid should be included in the reporting period in which they were earned or incurred. Allowable expenses properly accrued during the reporting period must be paid within 180 days after the end of the reporting period in order to remain allowable costs for reporting purposes. If accrued expenses are not paid within 180 days after the end of the reporting period, the expense is unallowable and should not be reported on the report.

In situations where a contracted provider, any of its controlling entities, its parent company/sole member, or its related-party management company has filed for bankruptcy protection, the contracted provider may request an exception to the 180-day requirement for payment of accrued allowable expenses by submitting a written request to the Rate Analysis Department of HHSC. The written request must be submitted within 60 days of the date of the bankruptcy filing or at least 60 days prior to the due date of the report for which the exception is being requested, whichever is later. The contracted provider will then be requested by the Rate Analysis Department to provide certain documentation, which must be provided by the specified due date. Such exceptions due to bankruptcy may be granted for reasonable, necessary and documented accrued allowable expenses that were not paid within the 180-day requirement.

*Attendant* - the unlicensed caregiver providing direct assistance to the clients with Activities of Daily Living (ADLs) and Instrumental Activities of Daily Living (IADLs). Attendants do not include the director, administrator, assistant director, assistant administrator, clerical and secretarial staff, professional staff, other administrative staff, licensed staff or attendant supervisors, except in

certain programs and services where they are delivering attendant services that cannot be delivered by another attendant, to prevent a break in service. To be allowable for the Attendant Compensation Rate Enhancement, attendant expenses must be direct-costed. Direct costing requires daily timesheets documenting time spent performing attendant services for the component code.

*Contract Labor* - personnel for whom the contracted provider is not responsible for the payment of payroll taxes (such as FICA, FUTA and TUCA).

*Contracted Provider* - the business component with which DADS contracts for the provision of ICF/IID services.

*Controlling Entity* - the individual or organization that owns the contracting entity.

*Mileage Reimbursement* - reimbursement paid to the attendant for the use of his or her personal vehicle and which is not subject to payroll taxes.

*Related Party* - a person or organization related to the contracted provider by blood/marriage, common ownership, or any association which permits either entity to exert power or influence, either directly or indirectly, over the other. In determining whether a related-party relationship exists with the contracted provider, the tests of common ownership and control are applied separately. Control exists where an individual or organization has the power, directly or indirectly, to significantly influence or direct the actions or policies of an organization or institution. If the elements of common ownership or control are not present in both organizations, the organizations are deemed not to be related to each other. The existence of an immediate family relationship will create an irrefutable presumption of relatedness through control or attribution of ownership or equity interests where the significance tests are met. The following persons are considered immediate family for cost-reporting purposes: (1) husband and wife; (2) natural parent, child and sibling; (3) adopted child and adoptive parent; (4) stepparent, stepchild, stepsister, and stepbrother; (5) father-in-law, mother-in-law, brother-in-law, son-in-law, sister-in-law, and daughter-in-law; (6) grandparent and grandchild; (7) uncles and aunts by blood or marriage; (8) first cousins, and (9) nephews and nieces by blood or marriage. Disclosure of related-party information is required for all allowable costs reported by the contracted provider.

*Workers' Compensation* - for reporting purposes, the actual costs paid by the contracted provider during the reporting period related to employee on-the-job-injury (such as commercial insurance premiums or the medical bills paid on behalf of an injured employee).

## **COVER PAGE**

**GROUP COMPONENT CODES** (if report is for more than one participating component code)  
Enter the 9-digit ICF/IID component codes that you selected to be aggregated on your 2012 cost report.

If you indicated on your 2012 cost report that you wished your participating component codes to be aggregated for the 2012 cost report year, you may submit one RFR for the entire group using the same component codes that were chosen for grouping within the 2012 cost report. The result of the analysis of an RFR completed for a group will apply to all component codes included on the RFR for fiscal year 2015.

If you did not indicate an intent to participate as part of a group on your 2012 cost report, do not enter any information in this box. See the following instructions regarding submitting the RFR for an individual component code.

**9-DIGIT COMPONENT CODE** (if report is for an individual component code)  
Enter your 9-digit ICF/IID component code. If, after looking at the upper right-hand corner of your most recent ICF/IID cost report, your recent payment information, correspondence from DADS, and/or your contract with DADS, you do not know your correct 9-digit ICF/IID component code, please contact your Rate Analyst. If this report is for a group of component codes, leave this item blank.

**CONTRACTED PROVIDER IDENTIFICATION** (if report is for an individual component code)  
Enter the trade name or doing-business-as (dba) name and the physical address of the contracted provider if you are completing the report for an individual component code. If you are completing the report for a group of ICF/IID component codes, leave this item blank.

**CONTRACTING ENTITY**  
Enter the requested information regarding the business entity that contracts with DADS to provide ICF/IID services. This item cannot be blank.

**CONTACT**  
Each provider must complete the CONTACT section. The contact person is the employee of the provider, contracting entity, controlling entity, parent company, sole member, governmental body or related-party management company that is designated to be contacted concerning information reported on the RFR. The contact person should be able to answer questions about the contents of your component code's RFR that arise during the HHSC Rate Analysis Department's edit process and the HHSC Office of Inspector General's audit verification process.

**PREPARER**  
The preparer is the employee or contracted individual who actually prepared the report. For this

reporting period, the preparer must have completed online or classroom-based cost report training for the 2013 ICF/IID Cost Report (including both the General and ICF/IID Program Specific modules) and received a training completion certificate as per 1 TAC §355.102(d) (relating to General Principles of Allowable and Unallowable Costs). If the preparer and contact are the same person, you may enter “see contact.”

**LOCATION OF RECORDS**

Report the address where the provider's accounting records and supporting documentation used to prepare this RFR are maintained. This should be the address at which a field audit of these records can be conducted.

## ***PAGE TWO***

**ITEM 1 (DADS 9-Digit Component Code – if report is for an individual component code)**

If this report is for an individual component code, enter your 9-digit ICF/IID component code. If this report is for a group of component codes, leave this item blank.

**ITEM 2 (Texas County Code in Which Accounting Records are Located)**

Report the 3-digit county code for the Texas County in which the accounting records and supporting documentation used to prepare this RFR are located. The Texas County codes are located in the back of the instructions. If the accounting records are located outside the state of Texas, enter "999". The response to item 2 should correspond to the information reported on the cover page in "Location of Records".

**ITEM 3 (Reserved for Future Use)**

This item is reserved for future use.

**ITEM 4 (Reserved for Future Use)**

This item is reserved for future use.

**ITEM 5 (Reporting Period - Beginning Date)**

The reporting period beginning date must be **September 1, 2013**.

**ITEM 6 (Reporting Period - Ending Date)**

The reporting period ending date must be **April 30, 2014**.

**ITEM 7 (Owner-employees or related-party employees?)**

If "YES", complete Schedule C for each owner-employee or other related-party employee. Schedule C requires that an organization chart be attached that clearly indicates each owner-employee's and related-party employee's position within the entire related organization.

**ITEM 8 (Attach copies of Mandatory Cost Report Training Certificate?)**

Attach copies of the required state-conducted mandatory 2013 cost report training completion or online testing certificate for your preparer. Reports submitted without a proper training completion or online testing certificate attached will not be processed until the required certificates have been received, and may be returned as unacceptable if the required certificates are not received in a timely manner.

**ITEM 9 (Allocation of Expenses)**

If any expenses reported on the RFR resulted from allocation, mark item 11 "YES".

The following expenses must be direct-costed:

Salaries/Wages:

Employee Benefits/Insurance:

Accrued Vacation, Accrued Sick Leave

Employer-Paid Health/Medical/Dental Premiums

Employer-Paid Disability Insurance Premiums

Employer-Paid Life Insurance Premiums

Employer-Paid Contributions to acceptable retirement funds/pension plans

Employer-Paid Contributions to acceptable deferred compensation funds

Employer-Paid Child Day Care

Mileage Reimbursement

**56.5¢ 09/1/13 to 12/01/13**

**56.0¢ 01/1/14 to present**

The following may be direct-costed or allocated using a functional method based upon percentage of salaries:

FICA

Medicare

Unemployment (TUCA and FUTA)

Workers' Compensation Premiums

Workers' Compensation Paid Claims

Employer-Paid Health/Medical/Dental Paid Claims

Employer-Paid Disability Paid Claims

For allocation of expenses, attach (and properly cross-reference to each applicable item): a detailed allocation summary showing 100% of your expenses by cost category, the numerator and denominator of the allocation calculation in words and in numbers, the resulting allocation percentage (with 2 decimal places), the application of the allocation percentage to each shared cost, the amount allocated to each component code/program/business entity, and the report line item on which each allocated cost is reported on this report.

**ITEM 10 (Does Contracting Entity hold any other participating contracts?)**

If the contracting entity holds any other contracts that are participating in the Attendant Compensation Rate Enhancement, report the total number of contracts in the box provided and list the type of contract (i.e., PHC, CBA, CLASS, DAHS, RC, CBA AL/RC, DB-MD, HCS/TxHmL) with its 9-digit contract or component code in the space provided. If you are completing this report for a group of component codes, list all of the component codes that are participating within the group and any additional contracts/component codes that are participants in the Attendant Compensation Rate Enhancement. If the answer to item 12 is no, enter zero.

**ITEM 11 (Select Correspondence Address)**

Select the address to which you want all future correspondence concerning this report to be mailed. The two choices correspond to the addresses indicated on the cover of the report.

## **RESIDENTIAL SVCS**

### **ITEMS 20 and 22 (Paid Hours – Residential Services)**

Report the total number of hours paid for Residential attendants – both employee and contract labor - in items 20 and 22, including hours for training, paid leave, or travel time between clients. The hours reported in these line items should reconcile with your payroll ledger for total hours worked. Reported hours must be associated with allowable costs as defined in 1 TAC §355.103(b)(1). Report all hours to **two** decimal places.

### **ITEM 21 (Salaries and Wages, and Compensation – Residential Services)**

In item 21, report accrued attendant salaries and wages for Residential Services attendants. Report only salaries and wages for individuals employed by the provider for whom FICA contributions are made. In item 23, report compensation for contract staff delivering Residential attendant services. See the DEFINITIONS section for the definition of an attendant and for requirements pertaining to staff members functioning in more than one capacity. Salaries and wages include overtime, bonuses, and taxable fringe benefits such as accrued/taken vacation, accrued/taken sick leave, and other allowances in accordance with 1 TAC §355.103(b)(1)(A)(iii)(II).

### **ITEM 24 (Payroll Taxes – FICA and Medicare)**

Report both FICA and Medicare taxes for Residential attendants delivering Residential attendant services on item 24.

### **ITEM 25 (Does item 24 equal 7.65%?)**

If the answer to this question is "NO", provide a detailed explanation on the line provided. If additional space is required, attach (and properly cross-reference) the detailed explanation. The explanation should provide a reconciliation. Federal regulations mandate an employer FICA contribution of at least 6.20% and Medicare contributions of 1.45%. Reasons why your facility's FICA contributions might not equal 6.20% of the payroll or why your facility's Medicare contributions might not equal 1.45% of the payroll might include the fact that certain employees participated in a cafeteria plan during the reporting period. The reconciliation explanation must be detailed, reporting the number of employees participating in a cafeteria plan and the amount of salaries associated with those employees, with the resulting dollar amount of salaries subject to FICA being multiplied by 6.20%, the resulting dollar amount subject to Medicare contributions and reconciled with the amount reported in item 24. Include as part of your reconciliation explanation a copy of your most recently submitted IRS Form 5500 (Schedule F; Fringe Benefit Plan Annual Information Return).

### **ITEM 26 (Payroll Taxes - State and Federal Unemployment)**

Report both federal (FUTA) and state (TUCA) unemployment expenses for Residential attendants. If this item is blank, provide a detailed explanation in the space provided as to why no unemployment expenses are reported. Unemployment expenses may be allocated based upon payroll; in such a situation, an acceptable allocation summary must be attached.

**ITEM 27 [Workers' Compensation – Insurance (WCI) Premiums]**

If your component code, any of its controlling entities, or its parent company/sole member is a subscriber to the Workers' Compensation Act, report the WCI premiums paid to your commercial insurance carrier for Residential attendants. Premium costs include the base rate, any discounts for lack of injuries, any refunds for prior period overpayments, any additional modifiers and surcharges for experiencing high numbers of injuries (such as being placed in a risk pool).

If your component code, any of its controlling entities, or its parent company/sole member is not a subscriber to the Workers' Compensation Act, there are alternate insurance premium costs that can be reported in this item. Acceptable alternate insurance policies include industrial accident policies and other similar types of coverage for employee on-the-job injuries. Health insurance is not worker's compensation and should be reported in item 29. If your commercially-purchased insurance policy does not provide total coverage and has a deductible and/or coinsurance clause, any deductibles and/or coinsurance payments made by the employer on behalf of the employee would be considered paid claims (i.e., self-insurance) and must be reported in item 28.

WCI premium expenses may be allocated based upon payroll; in such a situation, an acceptable allocation summary must be attached.

**ITEM 28 (Workers' Compensation - Paid Claims)**

Report medical claims paid for employee on-the-job injuries for Residential attendants. If you were not a subscriber to the Workers' Compensation Act (i.e., traditional workers' compensation insurance policy), and you paid workers' compensation claims for employee on-the-job injuries for the staff whose salaries and wages are reported in item 21, report the amount of claims paid in this item. If you maintained a separate banking account for the sole purpose of paying your workers' compensation claims for employee on-the-job injuries (i.e., a nonsubscriber risk reserve account), the contributions made to this banking account are not allowable. Paid claims may be direct-costed or allocated based upon payroll. If paid claims are allocated, an acceptable allocation summary must be attached.

**ITEM 29 (Employee Benefits - Health Insurance)**

Report employer-paid health insurance for Residential attendants whose salaries and wages are reported in item 21. Employer-paid health insurance premiums must be direct-costed.

**ITEM 30 (Employee Benefits - Life Insurance)**

Report employer-paid life insurance for Residential attendants whose salaries and wages are reported in item 21. Employer-paid life insurance premiums must be direct-costed.

**ITEM 31 (Employee Benefits - Other Benefits)**

Report any employer-paid disability insurance and retirement contributions for Residential attendants whose salaries and wages are reported in item 21. These benefits must be direct-costed. The contracted provider's unrecovered cost of meals and room-and-board furnished to direct care staff, uniforms, staff personal vehicle mileage reimbursement, job-related training reimbursements and job certification renewal fees are not to be reported as benefits; unless they are subject to payroll taxes, in which case they are to be reported as salaries and wages. Other than mileage

reimbursement for client transportation, costs that are not employee benefits and are not subject to payroll taxes are not to be reported on the RFR; these costs may be reported on the provider's cost report in the appropriate items. In the space provided, describe the amount and type of each benefit comprising the total amount reported. Employee benefits must be reported in accordance with 1 TAC §355.103(b)(1)(A)(iii)(II).

**ITEM 32 (Mileage Reimbursement)**

Report the mileage reimbursement paid to Residential attendants. Refer to the DEFINITIONS section regarding mileage reimbursement. The amount of mileage reimbursement reported in this item will be divided by the number of miles reported in item 34 to verify mileage reimbursement ceilings. Allowable mileage reimbursement cannot exceed the reimbursement rate applicable for the reporting period as set by the Texas Legislature for state employee travel.

**ITEM 33 (Total Residential Services Attendant Cost)**

Sum items 21, 23, 24, and 26 through 32.

**ITEM 34 (Number of Miles Reimbursed)**

If you reported mileage reimbursement in item 32, report the number of miles reimbursed in item 34. The reimbursement per mile will be checked by HHSC against the maximum allowed by the state.

***DAY HABILITATION SERVICES***

**ITEMS 35 and 37 (Paid Hours – Day Habilitation)**

Report the total number of hours paid for Day Habilitation attendants in item 35, including hours for training, paid leave, or travel time between clients. The hours reported in this line item should reconcile to your payroll ledger for total hours worked.

Report the total number of hours paid to contract staff delivering Day Habilitation attendant services in item 37. Reported hours must be associated with allowable costs as defined in 1 TAC §355.103(b)(1). Report all hours to **two** decimal places.

**NOTE:** If provider contracts with a related-party entity to provide contracted Day Habilitation services, the hours, wages, taxes and benefits must be reported as if they were for the staff of the provider.

**ITEMS 36 and 38 (Salaries and Wages, and Compensation - Day Habilitation)**

In item 36, report accrued salaries and wages for Day Habilitation attendants. In item 38, report compensation for contract staff delivering Day Habilitation attendant services. See special note above for reporting Day Habilitation services contracted with a related-party entity. See the DEFINITIONS section for the definition of an attendant and for requirements pertaining to staff members functioning in more than one capacity. Salaries and wages include overtime, bonuses, and

taxable fringe benefits such as accrued/taken vacation, accrued/taken sick leave, and other allowances in accordance with 1 TAC §355.103(b)(1)(A)(iii)(II).

**ITEM 39 (Payroll Taxes – FICA and Medicare)**

Report both FICA and Medicare taxes for Day Habilitation attendants on item 39.

**ITEM 40 (Does item 39 equal 7.65%?)**

If the answer to this question is "NO", provide a detailed explanation on the line provided. If additional space is required, attach (and properly cross-reference) the detailed explanation. The explanation should provide a reconciliation. Federal regulations mandate an employer FICA contribution of at least 6.20% and Medicare contributions of 1.45%. Reasons why your facility's FICA contributions might not equal 6.20% of the payroll or why your facility's Medicare contributions might not equal 1.45% of the payroll might include the fact that certain employees participated in a cafeteria plan during the reporting period. The reconciliation explanation must be detailed, reporting the number of employees participating in a cafeteria plan and the amount of salaries associated with those employees, with the resulting dollar amount of salaries subject to FICA being multiplied by 6.20%, the resulting dollar amount subject to Medicare contributions and reconciled with the amount reported in item 39. Include as part of your reconciliation explanation a copy of your most recently submitted IRS Form 5500 (Schedule F; Fringe Benefit Plan Annual Information Return).

**ITEM 41 (Payroll Taxes - State and Federal Unemployment)**

Report both federal (FUTA) and state (TUCA) unemployment expenses for Day Habilitation attendants. If this item is blank, provide a detailed explanation in the space provided as to why no unemployment expenses are reported. Unemployment expenses may be allocated based upon payroll; in such a situation, an acceptable allocation summary must be attached.

**ITEM 42 [Workers' Compensation – Insurance (WCI) Premiums]**

If your component code, any of its controlling entities, or its parent company/sole member is a subscriber to the Workers' Compensation Act, report the WCI premiums paid to your commercial insurance carrier for Day Habilitation attendants. Premium costs include the base rate, any discounts for lack of injuries, any refunds for prior period overpayments, any additional modifiers and surcharges for experiencing high numbers of injuries (such as being placed in a risk pool).

If your component code, any of its controlling entities, or its parent company/sole member is not a subscriber to the Workers' Compensation Act, there are alternate insurance premium costs that can be reported in this item. Acceptable alternate insurance policies include industrial accident policies and other similar types of coverage for employee on-the-job injuries. Health insurance is not worker's compensation and should be reported in item 44.

If your commercially-purchased insurance policy does not provide total coverage and has a deductible and/or coinsurance clause, any deductibles and/or coinsurance payments made by the employer on behalf of the employee would be considered paid claims (i.e., self-insurance) and must be reported in item 43.

WCI premium expenses may be allocated based upon payroll; in such a situation, an acceptable allocation summary must be attached.

**ITEM 43 (Workers' Compensation - Paid Claims)**

Report medical claims paid for employee on-the-job injuries for Day Habilitation attendants. If you were not a subscriber to the Workers' Compensation Act (i.e., traditional workers' compensation insurance policy), and you paid workers' compensation claims for employee on-the-job injuries for the staff whose salaries and wages are reported in item 36, report the amount of claims paid in this item. If you maintained a separate banking account for the sole purpose of paying your workers' compensation claims for employee on-the-job injuries (i.e., a nonsubscriber risk reserve account), the contributions made to this banking account are not allowable. Paid claims may be direct-costed or allocated based upon payroll. If paid claims are allocated, an acceptable allocation summary must be attached.

**ITEM 44 (Employee Benefits - Health Insurance)**

Report employer-paid health insurance for Day Habilitation attendants whose salaries and wages and compensation are reported in item 36. Employer-paid health insurance premiums must be direct costed.

**ITEM 45 (Employee Benefits - Life Insurance)**

Report employer-paid life insurance for Day Habilitation attendants delivering attendant services whose salaries and wages and compensation are reported in item 36. Employer-paid life insurance premiums must be direct-costed.

**ITEM 46 (Employee Benefits - Other Benefits)**

Report any employer-paid disability insurance and retirement contributions for Day Habilitation attendants whose salaries and wages are reported in item 36. These benefits must be direct-costed. The contracted provider's unrecovered cost of meals and room-and-board furnished to direct care staff, uniforms, staff personal vehicle mileage reimbursement, job-related training reimbursements and job certification renewal fees are not to be reported as benefits; unless they are subject to payroll taxes, in which case they are to be reported as salaries and wages. Other than mileage reimbursement for client transportation, costs that are not employee benefits and are not subject to payroll taxes are not to be reported on the RFR; these costs may be reported on the provider's cost report in the appropriate items. In the space provided, describe the amount and type of each benefit comprising the total amount reported. Employee benefits must be reported in accordance with 1 TAC §355.103(b)(1)(A)(iii)(II).

**ITEM 47 (Mileage Reimbursement)**

Report the mileage reimbursement paid to Day Habilitation attendants. Refer to the DEFINITIONS section regarding mileage reimbursement. The amount of mileage reimbursement reported in this item will be divided by the number of miles reported in item 51 to verify mileage reimbursement ceilings. Allowable mileage reimbursement cannot exceed the reimbursement rate applicable for the reporting period as set by the Texas Legislature for state employee travel.

**ITEM 48 [Day Habilitation 3rd-Party Contract (not Related Party)] Paid Days**

Report the total number of days during the reporting period for which you paid 3<sup>rd</sup>-party contractors for Day Habilitation services.

**ITEM 49 [Day Habilitation 3<sup>rd</sup>-Party Contract (not Related Party)] Compensation**

Report the total amount paid to 3<sup>rd</sup>-party contractors for the days reported in item 48. Do not make any reductions. You do not need to report the specific expenses of the 3<sup>rd</sup>-party contractor.

**ITEM 50**

Attendant compensation of contracted third-party Day Habilitation will be automatically calculated at 50% of total compensation for this line item.

**ITEM 51 (Total Day Habilitation Attendant Cost)**

Sum items 36, 38, 39, 41 through 47, and 49.

**ITEM 52 (Number of Miles Reimbursed)**

If you reported mileage reimbursement in item 47, report the number of reimbursed miles in item 52. The reimbursement per mile will be checked by HHSC against the maximum allowed by the state.

***DAYS OF SERVICE***

**ITEMS 60-75 (Days of Service)**

Report the total number of days of ICF/IID services by facility size and Level of Need provided to all individual clients during the reporting period. In addition to the billed days of service, you should include in item 75 days of service provided for which you may never be reimbursed (e.g., service provided to a client whose doctor's orders are not up-to-date) or for which you receive reimbursement from another source (Private Pay).

**ITEM 76 (Total Days of Service)**

In item 76, enter the sum of items 60-75.

***SCHEDULES A & B: RESERVED FOR FUTURE USE***

***SCHEDULE C***

This schedule must be completed by **every** contracted provider that has an owner-employee or other related-party employee acting as an attendant regardless of whether the owner-employee or

other related-party employee received **any compensation** for their services during the reporting period.

For reporting purposes, an employee who meets the definition of a related party or an owner who is a sole proprietor, a partner owning 5% or more of the partnership, or a corporate stockholder owning 5% or more of the outstanding stock of the contracted provider must report their compensation on a Schedule C (these meet the definition of an "owner-employee").

If no compensation was paid, received, or properly accrued during the reporting period for an owner-employee or a related-party employee, complete items 1 - 10 and indicate "None" or "N/A" in the remaining items. Be sure to clearly explain in item 10 why no compensation is being reported.

**An organizational chart must be attached** to Schedule C indicating the owner-employee's or the related-party employee's name and position within the organization. When organizational structures are composed of several corporations and the owner-employee and/or other related-party employee is associated with more than one of the corporations, it is necessary to submit at least two organizational charts: one picturing the entire organizational structure of various corporations and one detailing the organizational structure of the corporation providing the services covered by the specific RFR.

***Allowable Compensation (see 1 TAC §355.103(b)(2))***

Allowable compensation for an owner-employee or other related-party employee is governed by the principles that the services rendered are necessary functions, that the compensation is for the reasonable value of services rendered, that the compensation is not based on profitability, and that the services performed do not duplicate those performed by another employee of the facility.

A function is deemed necessary when, if the owner or related party had not performed said function, the facility would have had to employ another person to perform that function. To be necessary, a function must pertain to direct or indirect activities in the provision or supervision of contracted resident services.

The test of reasonableness requires that the compensation of owner-employees and other related-party employees be such an amount as would ordinarily be paid for comparable services performed by non-owners or unrelated parties. Reasonable compensation is limited to the fair market value of services rendered by the owner-employee or other related-party employee in connection with resident care. Education and experience of the owner are pertinent only as they relate to the job being performed and the services being rendered, in this case, attendant services.

**NOTE:** Record all monetary amounts rounded to the nearest whole dollar (with no zeros included for cents).

**PART 1 - COMPENSATION**

**Item 1 (Name)** - Indicate the name (Last Name, First Name, and Middle Name/Initial) of the owner-employee or the related-party employee.

**Item 2 (Title)** - Indicate the title of the owner-employee or other related-party employee. The title must correspond to the title indicated on the organizational chart attached to the RFR.

**Item 3 (Type of Position)** - Identify the type of position filled by the owner-employee or other related-party employee. Only attendant positions should be included in this RFR.

**Item 4 (Location of Position within Organizational Structure)** - Indicate the location of the owner-employee's or other related-party employee's position within the organizational structure (i.e., facility, contracting entity, a controlling entity, or parent company/sole member/related-party management company). Item 4 should relate to the organizational chart(s) attached to the RFR.

**Item 5 (Description of Duties)** - Provide a description of the duties performed by the owner-employee or other related-party employee as they relate to the specific RFR or attach and properly cross-reference a copy of the person's written job description and provide a summary of how those duties relate to the specific RFR. See 1 TAC §355.105(b)(2)(B)(xi). Only attendant positions should be included on this RFR.

**Item 6 (Relationship to Provider)** - Indicate the owner-employee's or other related-party employee's relationship to the contracted provider. If the schedule is being completed for an owner-employee, indicate that the employee is an owner and describe the type of ownership (e.g., owner-sole proprietor; owner- % partner; owner- % stockholder). If the schedule is being completed for a related-party employee other than the owner, identify the relationship (e.g., husband of owner-sole proprietor; daughter-in-law of % partner; brother of % stockholder). If the schedule is being completed for a member of the Board of Directors (related through control), identify that fact in this item.

**Item 7 (Percentage of Ownership)** - If the schedule is being completed for an owner-employee, enter the percentage of ownership for that employee. If the schedule is being completed for a related-party employee who has no ownership interest, indicate "None" as the ownership percentage. If the schedule is being completed for a related-party employee who is the spouse of an owner in a community property state, indicate the same ownership percentage as the owner.

**Item 8 (Total Compensation)** - Report the total amount of compensation paid to (or properly accrued by) the owner-employee or other related-party employee during the reporting period. See 1 TAC §355.103(b)(2)(A-B) and §355.105(b)(2)(B)(xi).

Total compensation includes regular salary, overtime pay, bonuses and any other forms of compensation subject to payroll taxes, as well as any accrued compensation which had not been paid to the employee at the end of this reporting period. (Note: Accrued expenses must be paid within 180 days after the end of the reporting period in order to be allowable for reporting purposes.)

**Item 9 (Number of Hours Worked)** - Report the number of hours worked during the reporting period by the employee in order to earn the total compensation reported in item 8. In other words, if item 8 were divided by item 9, the result would be the employee's average compensation per hour.

**Item 10 (Direct Costing Method)** - If the services provided by this employee benefited more than the component code for which the RFR is being completed, if the employee's salary is reported in more than one item on this RFR, or if the employee performed both attendant and nonattendant functions for this component code, the salary must be directly charged based upon timesheets. Describe the basis upon which the compensation has been directly charged to this report or between line items. For example, you might state that the salary has been directly charged based upon daily timesheets, attach a copy of a completed timesheet, attach a copy of the written instructions applicable to the completion of the timesheet, report the total number of hours recorded by all timesheets during the reporting period (the denominator), report the total number of hours directly chargeable to the specific report based upon the results of the daily timesheets (the numerator), and show the calculation of the percentage of compensation directly charged to this report (a percentage with two decimal places).

## **PART 2 – ALLOCATION OF COMPENSATION**

**Item 11 (Breakdown of Total Compensation)** - Provide a breakdown by business component of how the total allowable compensation reported in item 8 was directly charged. If the owner-employee or other related-party employee performed both attendant and nonattendant functions for this component code, provide a breakdown between the employee's attendant and nonattendant compensation.

The owner-employee or other related-party employee must report in item 11 the total compensation received from all business entities (components) which benefit from his/her effort or work. If the business component has a state of Texas vendor/provider number, report the number in the business component blank (e.g., PHC #XXXXXXXXXX; CBA #XXXXXXXXXX; NF #XXXXXXXXXX; ERS #XXXXXXXXXX; DAHS #XXXXXXXXXX; RC #XXXXXXXXXX; ICF/IID #0000I0XXX).

Compensation should be directly charged to each business entity based either on the level of effort involved in providing services to or working for the entity (and supported by daily timesheets).

**Item 12 (% of Total Compensation)** - Report the percentage of the total employee compensation from item 8 that has been directly charged to this report. Report the percentage with two decimal places (i.e., 33.33%).

**Item 13 (% of Total Hours)** - Report the percentage of the employee's total hours (item 9) directly charged to this report. Report the percentage with two decimal places. If the percentage of hours reported in item 13 is different from the percentage of compensation reported in item 12, please provide a detailed explanation for the variance. If additional pages are required, please

cross-reference any attachments.

**Item 14 (Report Item Numbers)** - Enter each RFR item number on which the compensation directly charged to this report is reported. Include the number of hours reported for the corresponding line item. The explanation provided in item 10 should clearly explain how the amount was calculated for each report item number completed in item 14.

## **CERTIFICATION PAGES**

### ***REPORT CERTIFICATION***

This page must be completed and signed by an individual legally responsible for the conduct of the provider, such as an owner, partner, Corporate Officer, Association Office, governmental official, or L.L.C. member. The program administrator may not sign this certification page unless he/she holds one of these positions. The responsible party's signature must be notarized. The signature date should be the same or after the date the preparer signed the Methodology Certification page, since the report certification indicates that the report has been reviewed after preparation.

The certification page must contain original signatures and original notary stamps/seals.

### ***METHODOLOGY CERTIFICATION***

This page must be signed by the person identified on the cover page of this report as *PREPARER*. This person must be the individual who actually prepared the report or who has primary responsibility for the preparation of the report for the provider. Signing as *PREPARER* carries the responsibility for an accurate and complete report prepared in accordance with applicable methodology rules and instructions. Signing as *PREPARER* signifies that the preparer is knowledgeable of the applicable methodology rules and instructions and that the preparer has either completed the report himself/herself in accordance with those rules and instructions or has adequately supervised and thoroughly instructed his/her employees in the proper completion of the report. Ultimate responsibility for the report lies with the person signing as *PREPARER*. If more than one person prepared the report, an executed Methodology Certification page (with original signature and original notary stamp/seal) may be submitted by each preparer. Preparers should make note of the additional statement on the certification page notifying preparers that they may lose their authority to prepare future reports if the reports are not prepared in accordance with all applicable rules, instructions and mandatory training materials.

***Note: Each person signing as preparer must have attended any required HHSC state-sponsored Mandatory Cost Report Training for the 2013 ICF/IID Cost Report and a valid completion or online testing certificate must be attached to the report for each preparer. If a valid completion or online testing certificate is not attached, the report will not be processed until such time as the required certificates are provided. If the required certificates are not provided in a timely manner, the report will be returned as unacceptable.***

## *STATE OF TEXAS COUNTY CODES*

| <u>County Name / Code</u> |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Anderson 001              | Crockett 053              | Hays 105                  | Mason 157                 | Shackelford 209           |
| Andrews 002               | Crosby 054                | Hemphill 106              | Matagorda 158             | Shelby 210                |
| Angelina 003              | Culberson 055             | Henderson 107             | Maverick 159              | Sherman 211               |
| Aransas 004               | Dallam 056                | Hidalgo 108               | McCulloch 160             | Smith 212                 |
| Archer 005                | Dallas 057                | Hill 109                  | McLennan 161              | Somervell 213             |
| Armstrong 006             | Dawson 058                | Hockley 110               | McMullen 162              | Starr 214                 |
| Atascosa 007              | Deaf Smith 059            | Hood 111                  | Medina 163                | Stephens 215              |
| Austin 008                | Delta 060                 | Hopkins 112               | Menard 164                | Sterling 216              |
| Bailey 009                | Denton 061                | Houston 113               | Midland 165               | Stonewall 217             |
| Bandera 010               | DeWitt 062                | Howard 114                | Milam 166                 | Sutton 218                |
| Bastrop 011               | Dickens 063               | Hudspeth 115              | Mills 167                 | Swisher 219               |
| Baylor 012                | Dimmit 064                | Hunt 116                  | Mitchell 168              | Tarrant 220               |
| Bee 013                   | Donley 065                | Hutchinson 117            | Montague 169              | Taylor 221                |
| Bell 014                  | Duval 066                 | Irion 118                 | Montgomery 170            | Terrell 222               |
| Bexar 015                 | Eastland 067              | Jack 119                  | Moore 171                 | Terry 223                 |
| Blanco 016                | Ector 068                 | Jackson 120               | Morris 172                | Throckmorton 224          |
| Borden 017                | Edwards 069               | Jasper 121                | Motley 173                | Titus 225                 |
| Bosque 018                | Ellis 070                 | Jeff Davis 122            | Nacogdoches 174           | Tom Green 226             |
| Bowie 019                 | El Paso 071               | Jefferson 123             | Navarro 175               | Travis 227                |
| Brazoria 020              | Erath 072                 | Jim Hogg 124              | Newton 176                | Trinity 228               |
| Brazos 021                | Falls 073                 | Jim Wells 125             | Nolan 177                 | Tyler 229                 |
| Brewster 022              | Fannin 074                | Johnson 126               | Nueces 178                | Upshur 230                |
| Briscoe 023               | Fayette 075               | Jones 127                 | Ochiltree 179             | Upton 231                 |
| Brooks 024                | Fisher 076                | Karnes 128                | Oldham 180                | Uvalde 232                |
| Brown 025                 | Floyd 077                 | Kaufman 129               | Orange 181                | Val Verde 233             |
| Burleson 026              | Foard 078                 | Kendall 130               | Palo Pinto 182            | Van Zandt 234             |
| Burnet 027                | Fort Bend 079             | Kenedy 131                | Panola 183                | Victoria 235              |
| Caldwell 028              | Franklin 080              | Kent 132                  | Parker 184                | Walker 236                |
| Calhoun 029               | Freestone 081             | Kerr 133                  | Panner 185                | Waller 237                |
| Callahan 030              | Frio 082                  | Kimble 134                | Pecos 186                 | Ward 238                  |
| Cameron 031               | Gaines 083                | King 135                  | Polk 187                  | Washington 239            |
| Carnes 032                | Galveston 084             | Kinney 136                | Potter 188                | Webb 240                  |
| Carson 033                | Garza 085                 | Kleberg 137               | Presidio 189              | Wharton 241               |
| Cass 034                  | Gillespie 086             | Knox 138                  | Rains 190                 | Wheeler 242               |
| Castro 035                | Glasscock 087             | Lamar 139                 | Randall 191               | Wichita 243               |
| Chambers 036              | Goliad 088                | Lamb 140                  | Reagan 192                | Wilbarger 244             |
| Cherokee 037              | Gonzales 089              | Lampasas 141              | Real 193                  | Willacy 245               |
| Childress 038             | Gray 090                  | LaSalle 142               | Red River 194             | Williamson 246            |
| Clay 039                  | Grayson 091               | Lavaca 143                | Reeves 195                | Wilson 247                |
| Cochran 040               | Gregg 092                 | Lee 144                   | Refugio 196               | Winkler 248               |
| Coke 041                  | Grimes 093                | Leon 145                  | Roberts 197               | Wise 249                  |
| Coleman 042               | Guadalupe 094             | Liberty 146               | Robertson 198             | Wood 250                  |
| Collin 043                | Hale 095                  | Limestone 147             | Rockwall 199              | Yoakum 251                |
| Collingsworth 044         | Hall 096                  | Lipscomb 148              | Runnels 200               | Young 252                 |
| Colorado 045              | Hamilton 097              | Live Oak 149              | Rusk 201                  | Zapata 253                |
| Comal 046                 | Hansford 098              | Llano 150                 | Sabine 202                | Zavala 254                |
| Comanche 047              | Hardeman 099              | Loving 151                | San Augustine 203         |                           |
| Concho 048                | Hardin 100                | Lubbock 152               | San Jacinto 204           |                           |
| Cooke 049                 | Harris 101                | Lynn 153                  | San Patricio 205          |                           |
| Coryell 050               | Harrison 102              | Madison 154               | San Saba 206              |                           |
| Cottle 051                | Hartley 103               | Marion 155                | Schleicher 207            |                           |
| Crane 052                 | Haskell 104               | Martin 156                | Scurry 208                |                           |